ORAL ANSWERS TO QUESTIONS

Domestic call charges

*441. SHRI RAJEEV CHANDRASEKHAR:††
SHRI M.V. MYSURA REDDY:

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be please to state:

(a) whether TRAI has decided to do away with levying Access Deficit Charges (ADC) on telecom operators as a result of which domestic call (Local and STD) charges would become cheaper: and

(b) if so, to what extent domestic calls are likely to become cheaper and the likely new rates to be fixed by various telecom operators, including the BSNL and MTNL, and by when are they likely to be made effective?

THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI A. RAJA): (a) and (b) A Statement is laid on the Table of the House.

Statement

(a) and (b) The Telecom Regulatory Authority of India (TRAI) has decided to do away with the levying of Access Deficit Charges (ADC) which was being charged at a rate of 0.75% of Adjusted Gross Revenue (AGR) on telecom operators for domestic segments w.e.f. 1.4.2008. However, ADC on incoming International Long Distance Calls has been reduced from Rupee 1 per minute to Rupee 0.50 per minute w.e.f. 1.4.2008 and is to be phased out from 30.09.2008.

As per the existing provisions of Telecommunications Tariff Orders (TTO), tariff for telecom services are under forbearance, except with regard to Fixed Line Service in Rural Areas, National Roaming Service in Cellular Mobile Service and Leased line Service. The reduction in levy is of the order of 0.75% of AGR and its impact on domestic call charges is less than 0.75%.

MR. CHAIRMAN: Question 441 please.

SHRI A. RAJA: Sir, if it is possible Question No. 448 also, if the hon. Member is present, may be clubbed together.

SHRI RAJEEV CHANDRASEKHAR: Sir, the good thing is that the ADC regime is being shut down almost five years after I first pointed out to the regulator of the Government how some companies, big and small, were exploiting this ADC regime and illegally making hundreds of crores of rupees at the cost of the country using grey market international calls. So, I compliment the TRAI and the Government for taking this decision and plugging this loophole even if it has been done so belatedly.

Sir, my first question relates to the real objective of the ADC and the USO Fund which is for rural tele density. TRAI has recommended that Rs. 2,000 crores be given to the BSNL from the USO Fund in lieu of the ADC for increasing rural tele density. I wholeheartedly support that. But, my question is a broader one, Sir. What is the Government's explanation

†† The question was actually asked on the floor of the House by Shri Rajeev Chandrasekhar.

for the poor performance with regard to the growth of the rural tele density compared to urban tele density in the last few years? Despite the availability of significant resources in the USO Fund, how much has been disbursed to the BSNL from the USO and others and why has the USO's performance been so unsatisfactory?

SHRI A. RAJA: Sir, as the hon. Member has put it, in order to improve the rural tele density, the USO Fund is being spent invariably through all service providers. Of course, the rural telephones are being owned 95 per cent by the BSNL. So, automatically, more funds share will go to the BSNL. It is true that out of the collection that has been made as on 01.04.2008, the amount being accumulated is Rs. 2039392 crore out of which only Rs. 6371.435 crores have been spent in the USO Fund. Now, for the current financial year, the Government has processed all formalities to put up 8,000 towers across the country. Not only that, for the coming years, for 11,000 towers, places are being identified. Putting together, around 18,000 towers are going to be put up by the USO Fund. The process is almost over, As soon as the towers are put up, the services will be started in rural areas. Of course, the rural tele density is very low. While urban tale density is around 60 per cent, rural tele density is only 7.8 per cent. The Government is deeply concerned. We are pushing all operators to go for the rural areas. Of course, there is no rule or condition in the TRAI recommendations that all the operators should mandatorily go for the rural areas. However, all this message is being taken up as the hon. Member has put it. Under the USO Fund, we hope, in the course of time, within a year, rural tele density will improve.

SHRI RAJEEV CHANDRASEKHAR: Sir, my second question pertains to the general performance of the BSNL which is a PSU we all have been proud of but increasingly we are not. Why is the BSNL's market share in performance is reducing every year? Will the Government be a silent spectator to this trend which is continuing till it become sick and irrelevant like many other PSUs, or, will it take decisive steps to enable BSNL to increase its market share and become a stronger player? And, if so, what are the steps the Government is considering?

SHRI A. RAJA: Sir, the performance of any company, including the Government PSUs, depends upon the market forces. The Government can safeguard certain areas like rural services through USO Fund or others. Of course, first time, the Government is deeply concerned to wipe out the AGR which is being collected for the rural telephones also. The hon. Member may be aware that there is a system through which we are collecting 5 per cent from the USO Fund and invariably 2 or 3 per cent from all private operators out of their net profit.

SHRI A. RAJA: This year, so far as the rural telephones owned by BSNL and by other service providers are concerned, we are considering that there will be no licence fee for landline connections. For that, a reference has been made to the Telecom Commission. It is being deliberated. If it is passed by the Telecom Commission, I hope , more than Rs. 1000 crore will be saved by the BSNL. It will be an incentive to the BSNL. So, these types of incentives can be extended to the BSNL. But, the market forces will decide the standing of these companies —first place, second place or third place. It will be determined by the market forces.

SHRI M.V. MYSURA REDDY: Sir, the Government does not have any control over the telephone operators. I am sorry to say that. On 3rd December, regarding the tariffs, the Minister told this august that it is for TRAI to see whether the tariffs need to be fixed. But,

immediately, the providers increase the local and the STD call tariffs. Sir, the Minister has to look into one more thing and, that is, the phenomenal growth in the number of subscribers and also the volume of business in the last three years. *(Interruptions)* Because of this, the foreign players are also coming.

MR. CHAIRMAN: Please put your supplementary.

SHRI M.V. MYSURA REDDY: Sir, I am putting. The foreign players are coming with huge premiums, but, the Indian telecom operators are not proportionately reducing the tariffs. Why is it so? And even after doing away with the ADC, the reply of the Minister is vague. Some providers limited the reduction to their net calls instead of all types of calls.

MR. CHAIRMAN: Please put your supplementary question.

SHRI M.V. MYSURA REDDY: Sir, I am putting my question. From mobile to landline, they have not reduced. It is obviously to increase their subscribers' base in the rural areas. My question is: Has the Minister developed any mechanism to ensure that all the decisions of TRAI are implemented in true earnestness?

SHRI A. RAJA: Sir, the answer to the first part of the question is, yes, it is true that there is no tariff fixation in this country. The tariff is regulated by a regulator, namely, the Telecom Regulatory Athority of India. The concept which is adopted by TRAI is the concept of forbearance. The market forces and the level pyaying field will decide what type of packages can be given to the consumers. Of course, the Government has a second opinion on that. That is why, in December, in the same House, I observed that, if necessary, the matter can be taken up with TRAI again. The matter is being processed. We want to fix up a tariff or we have to give a fair and level playing field in this country.

Sir, with all sincerity, I have to share with this House that after 1993, only this Government permitted more and more competition under the advice of the hon. Prime Minister. We permitted five to seven more operators so that there will be a healthy level playing field once the roll-out starts. Once the roll-out starts, as a Minister, optimistically, I foresee that the tariffs will come down by 50 per cent.

The second part of the question is with regard to ADC. There is no discrimination. Regarding TRAI recommendations also, the recommendatory body has every right to give recommendations. The recommendations must be appraised by the Telecom Commssion and there after, we will see what type of recommendations can be accepted. Suppose, we have a deviation with the recommendation that has been made by TRAI, the Ministry is entitled to refer the matter back to TRAI. It does not mean that the recommendation of the TRAI is completely sacrosanct and it has to be accepted *in toto*. Yes, we admit some recommendations. And if we have reservations on some recommendations, we refer the matter back toTRAI. We have already referred back certain recommendations. Some recommendations are still under consideration and we will come out with the solutions.

SHRI M.V. MYSURA REDDY: But, what about this issue?

MR. CHAIRMAN: Please, You have asked your supplementary.

SHRI M.V. MYSURA REDDY: But, Sir, it has not been answered.

MR. CHAIRMAN: Now, Shri Amar Singh.

श्री अमर सिंह: सभापति महोदय, मैं आपके माध्यम से मंत्री जी से पूछना चाहूंगा कि हर बार कह दिया जाता है कि यह विचाराधीन है, यह TRAI के कार्यक्षेत्र में है, लेकिन हमारी समझ में नहीं आता है कि TRAI द्वारा Access Deficit Charges को खत्म करने के बाद कई निजी कम्पनियों ने यह घोषणा की थी कि जो Access Deficit Charge खत्म किया गया है, उसका जो लाभ होगा, वह सीधे-सीधे उपभोक्ता को या कंज्यूमर को ट्रांसफर कर दिया जाएगा, लेकिन क्या यह सच नहीं है कि Vodafone, Airtel जैसी कम्पनियों ने cartel बनाकर एक तरह से price-rigging की है और जानबुझकर उपभोक्ताओं से ज्यादा मुनाफाखोरी कर रहे हैं? मैं इस बारे में मंत्री जी से एक नियमित उत्तर नहीं चाहता हूं कि यह हमारे अधिकार क्षेत्र में नहीं है, TRAI के अधिकार क्षेत्र में है, क्योंकि लोकशाही में संसद और जनता के प्रति जिम्मेदारी मंत्री की होती है। मैं जानना चाहूंगा कि यह Access Deficit Charge खत्म होने के बावजूद उपभोक्ता को जो लाभ नहीं मिल रहा है और यह जो वोडाफोन, एयरटेल और हच का कार्टेल बना हुआ है, इस मल्टी नेशनल कार्टेल को रोकने के लिए आप क्या कर रहे हैं?

SHRI A. RAJA: Sir, of course, since the ADC has been phased out, it is true, and I have to admit, that there is no question of deviating from the hon. Member's opinion; the private operators are going to be benefited by, maybe, Rs. 1,000 crores or Rs. 500 crores. The ADC that has been collected so far, according to the TRAI recommendation, has been phased out. Their intention is that the charges that have been incurred on the use of the other man's infrastructure shold not be a barricade for tele-density; in one sense; may be correct. In another sense, these private operators are going to earn some thousand crores of rupees. On the other hand, BSNL is going to lose more than Rs. 1,000 crores or Rs. 2,000 crores. The Government is committed as it is its own PSU, BSNL; the BSNL loss will be compensated through the USO Fund; the measures are being taken. I am deeply concerned for the BSNL; BSNL will not be let in. I will be second to none to save the BSNL so far as Access Deficit Charges and profits are concerned. Phasing out of the ADC is a decision taken by the TRAI under the impression or under the notion that the rural tele density or the urban tele density will go up and the tariff will come down. If inspite of the ADC being phased out, the tariff does not come down or if the players are not inclined to reduce the tariff, the Government will take notice of that. Of course, it is phased out only this month. After a month or after six months, if necessary, a Committee can be consituted; we will review the situation. Whatever be the benefits going to be earned by the private operators must reflect on tariff. It is not reflected on tariff, we will take action.

SHRI TAPAN KUMAR SEN: Sir, I would like to point, at the outset, that by just depending on market forces, you cannot dream of increasing the rural tele-density, and this is proved that despite the USO Funds being made available to private operators, their share in rural tele-density has not increased. Many a time, after phasing out the ADC and consequent sharp decline in the income of BSNL, the only Company which is taking more than 99 per cent responsibility of the rural telephone network, is put at a disadvantage. Whatever measures the Government may take to compensate that by USO Fund, that is again shared by other private operators. Will the Minister kindly look into the matter?Earlier, it was just depending on the market forces. The USO Fund was made available to the private operators as well, and since the ADC was phased out with an assumption or with an expectation that the tariff rate would come down. The Government, instead of depending on market forces, must ensure, prevail upon and use its administrative authority to see...

MR. CHAIRMAN: Question, please.

SHRI TAPAN KUMAR SEN: Sir, it is part of the question, my sentence. ...that the private operators who are compelled to share their due responsibility in rural telephony in view of their sharing of USO Fund and in view of their gaining, becasue of phasing out of the AD

Charges, and also because of BSNL which is shouldering the basic responsibility of rural telephony, are properly strengthened.

SHRI A. RAJA: Sir, the point is well taken. As already submitted to the House, all these point are well taken. The USO Fund is created under the statute, namely the Indian Telegraph Act; the rules are already framed. All these points were well taken. I am deeply concerned about all these things. Since the decision is taken only on the 1st of this month or in the first week of this month, I am deeply concerned about all these speculations and all these developments that have been happening in the ADC and other areas, including the USO Fund. If necessary, the USO rules will be amended after a healthy discussion which is going to be held in the Ministry by constituting a Committee.

श्री बृजभूषण तिवारी: सभापति महोदय, जैसा कि अभी मंत्री जी ने अपने जवाब में कहा है कि बीएसएनएल का जो मार्केट फोर्स है, उस मार्केट फोर्सेस के कारण उसका प्रभाव कम हो रहा है और मैं पूछना चाहता हूं कि इधर बीएसएनएल की जो inefficiency है और उसी के साथ-साथ ग्रामीण क्षेत्रों में या शहरी क्षेत्रों में भी जो स्थिर टेलीफोन है, उसकी स्थिति दिनों दिन इतनी खराब होती जा रही है कि वह इस्तेमाल करने लायक नहीं रह गया है, इसलिए मैं मंत्री जी से सीधा पूछना चाहता हूं कि इसमें सुधार के लिए उन्होंने क्या उपाय किए हैं और क्या इसके लिए उन्होंने कोई समय सीमा भी निश्चित की है?

SHRI A. RAJA: Sir, the usage of landlines is coming down. It is true. Of course, in the Eleventh Plan, the Government has announced a National e-Goverance Progamme under which the village panchayats will have a service centre. We are going to set up a Community Service Centre invariably in all villages where new technology is going to be put up through the landline. I hope all these village panchayat telephones or the telephones available in the village panchayats will be used by the Community Service Centre also. That is why I submitted before the House that we want to wipe out the annual gross revenue collected from the landlines, which may amount to Rs. 1,000 crores, to save the BSNL and to increase rural tele density. The matter is being considered by the Telecom Commission. A decision will be taken soon.

Reduction of forest cover area

*442. SHRI KAMAL AKHTAR:††
SHRI ABU ASIM AZMI:

Will the PRIME MINISTER be pleased to state:

(a) whether Government is aware that the forest cover in the country has been decreasing rapidly during the last few years;

(b) if so, the details thereof, State-wise, year-wise;

(c) whether any evaluation has been done of decrease in forest areas through the Joint Forest Management; and

(d) if so, the details thereof and the achievements in the protection of forests made so far, State-wise?

THE MINISTER OF STATE IN THE MINISTRY OF ENVIRONMENT AND FORESTS (SHRI S. REGUPATHY): (a) to (d) A Statement is laid on the Table of the House.

---

†† The question was actually asked on the floor of the House by Shri Kamal Akhtar.